

House Study Bill 264

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
COMMERCE, REGULATION AND
LABOR BILL BY CHAIRPERSON
HANSEN)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to exempt transactions of unauthorized insurers.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
3 TLSB 2934YC 80
4 kk/sh/8

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1 1 Section 1. Section 507A.4, Code 2003, is amended by adding
1 2 the following new subsections:
1 3 NEW SUBSECTION. 10. Transactions in this state involving
1 4 the joint purchase of administrative services by self=insured
1 5 employers where each self=insured employer in the joint
1 6 purchasing arrangement is individually financially responsible
1 7 for the payment of claims for its employees and has at least
1 8 one hundred employees eligible for the employee health benefit
1 9 program. For the purpose of this subsection, "administrative
1 10 services" means claims, membership, billing, member service,
1 11 provider networks, utilization review, case management,
1 12 disease management, data reporting, or other services related
1 13 to the management of a self=insured employee health benefit
1 14 program.

1 15 NEW SUBSECTION. 11. Transactions in this state involving
1 16 the joint purchase of aggregate stop loss or specific stop
1 17 loss insurance by employers self=insuring their employee
1 18 health benefit program where the specific stop loss does not
1 19 cover claims of less than ten thousand dollars in the year
1 20 2003 or of claims less than ten thousand dollars in future
1 21 years plus an inflation factor determined by the insurance
1 22 division of the department of commerce, and where the
1 23 aggregate stop loss does not have an attachment point of less
1 24 than one hundred ten percent of expected claims covered by the
1 25 stop loss agreement.

EXPLANATION

1 26
1 27 This bill provides an exemption from the provisions of Code
1 28 chapter 507A, related to unauthorized insurers, for
1 29 transactions involving the joint purchase of administrative
1 30 services by self=insured employers where each self=insured
1 31 employer jointly purchasing is individually financially
1 32 responsible for its employees' claims and has at least 100
1 33 eligible employees for the health benefit program.

1 34 The bill also provides an exemption from the provisions of
1 35 Code chapter 507A, related to unauthorized insurers, for
2 1 transactions involving the joint purchase of aggregate stop
2 2 loss or specific stop loss insurance by self=insured employers
2 3 where the specific stop loss covers no less than a minimum
2 4 yearly claim amount, and where the aggregate stop loss does
2 5 not have an attachment point of less than 110 percent of
2 6 expected claims.
2 7 LSB 2934YC 80
2 8 kk/sh/8